



Office of the Governor of Guam

P.O. Box 2950 Hagåtña, Guam 96932
TEL: (671) 472-8931 • FAX: (671) 477-4826 • EMAIL: governor@mail.gov.gu

29-08-2001
Special Office
RECEIVED
3/18/08
For 53151

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

18 MAR 2008

Honorable Judith T. Won Pat
Speaker
I Mina' Bente Nuebi Na Liheslaturan Guåhan
155 Hesler Place
Hagåtña, Guam 96910

2008 MAR 20 AM 10:16

Dear Speaker Won Pat:

Transmitted herewith is Bill No. 195, "AN ACT TO AMEND SUBITEM (I), §22435 OF TITLE 5 GCA, RELATIVE TO PERMITTED INVESTMENTS AND INTEREST EARNED FROM THE SIXTEEN MILLION DOLLARS (\$16,000,000) OF BOND PROCEEDS INTENDED TO FUND PAYMENTS TO COLA CLASS AWARDEES AS ORDERED BY THE JUDGMENT IN RIOS V. CAMACHO, SUPERIOR COURT CASE NO. SP0206-03," which I have vetoed.

Bill No. 195 provides that all earnings from investment of the Government of Guam General Obligation Bonds 2007, Series A ("2007 GO Bond") proceeds be used exclusively to fund additional payments to the COLA class awardees. The proceeds from the 2007 GO Bond funded certain capital expense items and capital improvement projects of the Guam Public School System ("GPSS") and for other purposes such as past due Income Tax Refunds, capital improvement projects of the Guam Memorial Hospital and the University of Guam Nursing/Health Science Building, obligations imposed by the permanent injunction issued by the District Court of Guam and to fund payments to the COLA Class awardees. While the authorization for the amount was no more than Ninety Million Dollars ("90,000,000") the government only received approximately Sixty-Nine Million Dollars (\$69,000,000) in bond proceeds. Because the amount was less than the law provided, the distribution of the bond proceeds was reduced pro rata to the amount received from the bond.

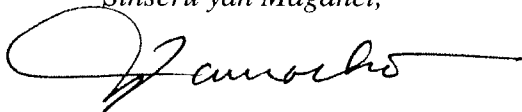
Not all of the bond proceeds have been completely disbursed. Most of the Fourteen Million Dollars (\$14,000,000) of bond proceeds to the COLA class awardees were disbursed. Most of the GPSS bond proceeds have not been disbursed and are earning a sizable amount of interest in the bank. The disbursement of GPSS for capital improvement projects and facilities repair are held in reserve until an assessment of the facilities is conducted by an outsourced engineering

firm. Also accruing interest are the bond proceeds intended for the permanent injunction, which is pending court approval for distribution.

It only makes sense to permit the interest earned from corresponding bond proceeds to fund those essential services as well. Especially in light of the situation at Southern High School, which recently had its sanitary permit revoked. Southern High School is one of eight schools in dire need of repair because of health and public safety conditions. This money could be used to ensure the health, safety and welfare of the children who attend classes and the adults that work at these facilities.

While I am not opposed to permitting interest earned to fund additional payments to COLA class awardees, it is only fair that the earnings be distributed pro rata to the corresponding distribution of the bond proceeds. The distribution of bond proceeds to each category was established by law and interest earnings should mirror this distribution. It seems as if that may have been the original intent of Bill No. 195 as stated in its title and I humbly ask *I Liheslaturan Guahan* to amend this measure and also provide funding through the bond earnings to these critical services.

*Sinseru yan Magåhet,*



**FELIX P. CAMACHO**  
*I Maga'låhen Guåhan*  
Governor of Guam

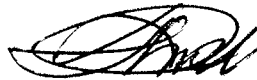
cc: All Senators

Attachment

**I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN**  
**2008 (SECOND) Regular Session**

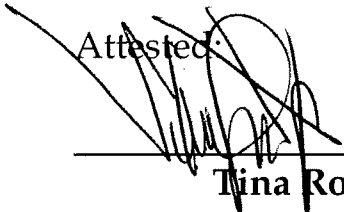
**CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN**

This is to certify that **Bill No. 195 (EC), "AN ACT TO AMEND SUBITEM (I), §22435 OF TITLE 5 GCA, RELATIVE TO PERMITTED INVESTMENTS AND INTEREST EARNED FROM THE SIXTEEN MILLION DOLLARS (\$16,000,000) OF BOND PROCEEDS INTENDED TO FUND PAYMENTS TO COLA CLASS AWARDEES AS ORDERED BY THE JUDGMENT IN RIOS V. CAMACHO, SUPERIOR COURT CASE NO. SP0206-93,"** was on the 6<sup>th</sup> day of March, 2008, duly and regularly passed.



**J. T. Won Pat**  
**Speaker**

Attested:

---

**Tina Rose Muña Barnes**  
**Senator and Secretary of the Legislature**

-----

This Act was received by *I Maga'lahaen Guåhan* this \_\_\_\_\_ day of \_\_\_\_\_, 2008, at \_\_\_\_\_ o'clock \_\_\_\_\_.M.

---

Assistant Staff Officer  
*Maga'lahi's Office*

APPROVED:

**VETO**

---

FELIX P. CAMACHO  
*I Maga'lahaen Guåhan*

Date: \_\_\_\_\_

Public Law No. \_\_\_\_\_

***I MINA'BENTE NUEBI NA LIHESLATURAN GUÅHAN***  
**2007 (FIRST) Regular Session**

**Bill No. 195 (EC)**

As amended by the Committee on Finance, Taxation, Commerce and Economic Development and further amended on the Floor.

Introduced by:

Judith Paulette Guthertz  
R. J. Respicio  
Tina Rose Muña Barnes  
Frank F. Blas, Jr.  
Edward J.B. Calvo  
B. J.F. Cruz  
James V. Espaldon  
Mark Forbes  
Frank T. Ishizaki  
J. A. Lujan  
A. B. Palacios, Sr.  
v. c. pangelinan  
David L.G. Shimizu  
Ray Tenorio  
J. T. Won Pat

**AN ACT TO *AMEND* SUBITEM (I), §22435 OF TITLE 5 GCA, RELATIVE TO PERMITTED INVESTMENTS AND INTEREST EARNED FROM THE SIXTEEN MILLION DOLLARS (\$16,000,000) OF BOND PROCEEDS INTENDED TO FUND PAYMENTS TO COLA CLASS AWARDEES AS ORDERED BY THE JUDGMENT IN RIOS V. CAMACHO, SUPERIOR COURT CASE NO. SP0206-93.**

1        **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2        **Section 1.** Subitem (I), §22435 of Title 5 GCA is *amended* to read:

1           **“Permitted Investments.** The proceeds of the bonds and any  
2 revenues from such bonds *shall* be invested only in investments authorized by the  
3 certificate *or* indenture pursuant to which the bonds are issued. Any earnings from  
4 investment of the bond proceeds ***shall be used exclusively*** to fund additional  
5 payments to the COLA class awardees.”

6           **Section 2.** Subitem (d), §22435 of Title 5 GCA is *amended* to read:

7           **“Appropriations from the General Fund.** There is hereby  
8 appropriated from the General Fund an amount sufficient to pay the principal and  
9 interest on and the fiduciary expenses of said bonds.”